Bldg [illegible] (NPIC)

General Carter

This report was prepared jointly by the Director of Logistics, the Director, National Photographic Interpretation Center, and a representative of the Comptroller with the assistance of representatives of the General Services Administration.

Signed

L. K. White

4 February 1963

DD/S:LKW:fp
Distribution:
O - Addressee w/O&1 of DD/S 63-0462 w/encls
1 - DD/S chrono w/cc DD/S 63-0462
1 - DD/S subject w/cc DD/S 63-0462 w/encls

DD/S 63-0462 - Memo dtd 4 Feb 63 to DDCI fr DD/S, subj: "Case History on [redacted] w/encls 1 - 10

25X1

DDS 63-0462

SECRET

04 FEB 1963

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Case History on [redacted] 25X

1. This memorandum is for information only.

2. A case history on [redacted] is summarized in the following paragraphs. 25X

3. On 19 January 1961, NSCID No. 8 assigned to the Director of Central Intelligence the responsibility for the operation of a National Photographic Interpretation Center (NPIC) as a service of common concern to the intelligence community. The Photographic Intelligence Center, CIA, had outgrown its quarters in the Steuart Building prior to the establishment of NPIC. Laboratory space approaching that necessary for full exploitation of increasingly sophisticated collection systems was not available. A facility was needed to accommodate additional personnel, and more complex and space-consuming equipment, with a growth potential for foreseeable systems to be utilized in future years. Comprehensive studies made it apparent that space was a critical item in the future of NPIC. Detailed historical background is included in Enclosure 1.

4. The systems to be utilized in the expanded facilities required special considerations regarding vibration, dust, humidity, temperature controls, special lighting, air handling systems, as well as stringent security needs. The operation required large areas for photographic processing and developing, mixing of chemicals, housing of computers, accommodating mensuration equipment, experimental laboratory space, and storing vast quantities of reference material.

5. The NPIC personnel planning figure has for several years been in the neighborhood of [redacted] This consists of [redacted] Agency personnel to be on board during Fiscal Year 1964 and has been included in the Fiscal Year 1964 budget submission, approved by the Bureau of the Budget. The remainder are personnel from the military services expected to be on duty at the Center. (Enclosure 2.) 25X1 25

6. After reviewing a wide variety of plans based on NPIC's requirements and the availability of space in the area, the decision to remodel [redacted] to house NPIC was made. Although initially planned for completion by August 1963, a letter to the Director of Central Intelligence from the Special Assistant 25

SECRET

to the President in October 1961 stressed the need for utmost speed and effort to complete the new NPIC facility. The Agency therefore undertook to complete the construction by 31 December 1962 and to begin operations in the new building immediately thereafter. (Enclosure 3.)

7. Because of the decision to begin construction as early as possible, original estimates were made in October 1961 without benefit of even preliminary plans and specifications. These original estimates were based on the limited information available and represented the best judgment of the Architect-Engineer, the Public Buildings Service and Agency representatives. In November 1961, the Architect-Engineer submitted a preliminary construction cost estimate of $6,900,000. This did not include certain demolition costs and Architect-Engineer and Public Buildings Service charges. On this basis, a preliminary over-all estimate of $8,000,000 was arrived at for the complete project. On 15 January 1962, the Contractor was directed to prepare an estimate based on final plans and specifications as they became available. At this point, it became apparent that the mechanical equipment, because of its size and character, should be housed outside of [redacted] was added to the scope of the project. In April 1962 when final plans and specifications were available, the estimate was revised upward to $12,750,000. The Comptroller's request for approval to spend this amount and to obtain the additional funds through a release from the contingency Reserve was approved on 24 April 1962 by the DDCI and subsequently by the Bureau of the Budget. A complete Budget and Financial Chronology is included in Enclosure 4 and a detailed explanation of the increase in estimated cost of $5,204,235 is explained in Enclosure 5. 25

8. The General Services Administration (GSA) has committed $10,861,297 of the $12,750,000 made available to them for the project. It is estimated that an additional $1,012,013 will be required for completion of payments on the basic construction contract, change orders not yet negotiated, completion of payments for GSA supervision and inspection, moving costs and Architect-Engineer fees. The figures are summarized as follows: (See Enclosure 6 for summary of estimated costs.)

Total Funds Authorized		$12,750,000
GSA Expenditures or Obligations	$10,861,297	
Projected Estimates to Completion	1,012,013	11,873,310
Estimated Surplus		$ 876,690

25X1

9. GSA estimates a total of 432,000 sq. ft. of gross floor space for the two buildings. (Five and one-third floors in [redacted] and all of Building [redacted] Approximate cost per sq. ft. will therefore be $27.50. Of the total cost, $2,914,000 is estimated by GSA as being required for construction to meet 25

peculiar requirements of NPIC. (Enclosure 7.) Additionally, $1,000,000 was a conservative value placed by GSA engineers on the costs of expediting the construction, such as acceleration of various subcontracts, use of more readily available but more costly material, increased costs to suppliers, transportation, additional fees, and overtime. Deducting the $3,914,000 from the total cost of the renovation leaves $7,959,310 which would have been incurred for a limited laboratory-general purpose type facility with normal construction time allowed. Such a cost would have averaged approximately $18.50 per sq. ft. (Enclosure 8.)

10. NPIC established the requirement for a briefing facility with a seating capacity for approximately 150. Intelligence community committees such as the Joint Atomic Energy Intelligence Committee (JAEIC), the Guided Missile and Astronautic Intelligence Committee (GMAIC), and Scientific Intelligence Committee (SIC), when assembled with their full staffs and other personnel concerned, routinely required seating in excess of the capacity of the old Stewart Building room. Briefings often have been more than 100 per cent oversubscribed, thereby forcing the Center to provide briefings in triplicate. This requirement was justified in light of the importance of the briefing program to NPIC operations and the projected multi-purpose use of the room by NPIC, CIA, the military services, and the intelligence community. Design of the area included installation of a teleprompter system, revolving and sliding display panels and specially adapted projection equipment to provide for the optimum use of the room.

11. An analysis of possible savings in construction costs in areas other than those of a technical nature or changes in basic design has been made. The external parts of the buildings, the lobby, cafeteria, the corridors and various administrative areas throughout the buildings are areas for possible savings. A total of $27,000 can be identified as possible savings by the elimination of planters, paneling, granite canopied sidewalk curbs, granite panels in the fifth floor windows, redwood paneling in the cafeteria, and quarry tile in the patio. Assuming that a number of additional minor substitutions could have been made, GSA officials believe that the maximum material savings would not exceed $50,000. (Enclosure 9.)

12. All of the furniture purchased [redacted] is in accordance with Federal Specifications (established government contracts) except that in the library, lobby, and reception area. The furniture in these areas was obtained on open bid and did not cost more than equivalent Federal Specification furniture. 25X

13. Joint GSA-CIA controls were exercised throughout the design and construction. A special Agency Building Project Staff was formed to resolve project design conflicts and problems. GSA assigned a full-time engineer to supervise on-site construction. The Architect-Engineer firm assigned on-site personnel

to provide close liaison between the Contractor, the Agency, and the A&E firm. A Master Plan for Construction Completion and Occupancy was developed and approved. Cost control was accomplished by auditors and estimators of GSA. (Enclosure 10.)

14. In summary:

25X1 a. A requirement for a plant to accommodate approximately [redacted] was carefully developed and approved. Funds for the [redacted] CIA personnel were included in the Fiscal Year 1964 budget submission approved by the Bureau of the Budget. 25X

b. The final cost is estimated to be $11,873,310, of which $2,914,000 is attributable to the unique requirements of NPIC and $1,000,000 to the telescoping of the planning and construction so as to complete construction by 31 December 1962 in lieu of August 1963.

c. The final cost is estimated to be approximately $27.50 per sq. ft. Excluding the $3,914,000 cited above, the cost per sq. ft. would have been about $18.50. The analysis of costs involved indicates a favorable comparison with other GSA projects.

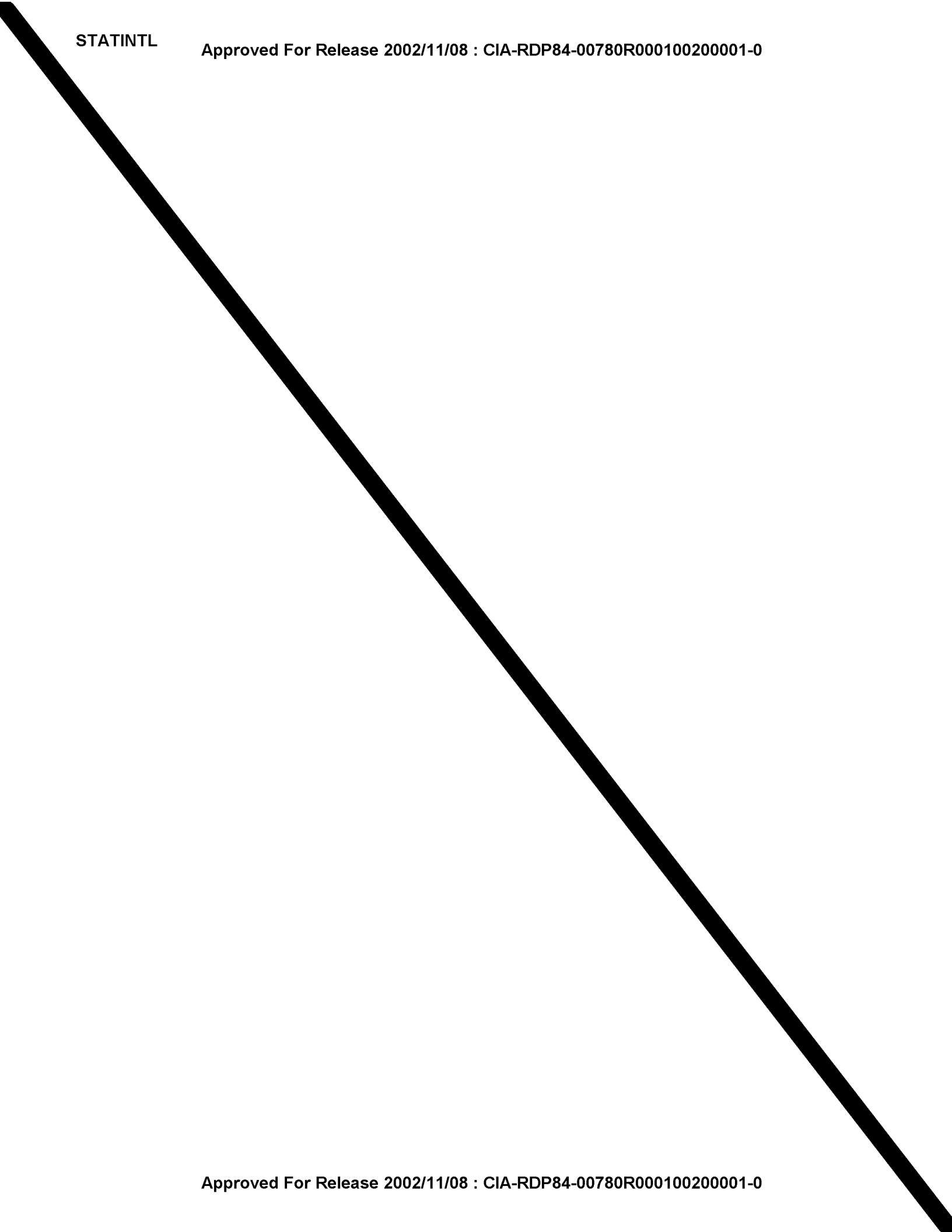
d. Controls and supervision were adequate to insure prudent expenditure of funds consistent with the unusual requirements of NPIC and the necessity to expedite construction, and it appears that the final cost of the building will be approximately $876,690 less than the funds authorized.

[redacted]

L. K. White
Deputy Director
(Support)

Enclosures:
Nos. 1 - 10

25X1 OL/PS/[redacted] 2 Feb 63)
Rewritten: DD/S:LKW:fp(4 Feb 63)
Distribution:
O & 1 - Addressee w/encl
1 - DD/I w/encl
1 - D/NPIC w/encl
1 - Compt w/encl
2 - DD/S -- subj w/encl & chrono w/o encl
1 - OL (Official) w/held
1 - OL Suspense w/held
1 - D/L chrono, 1 - OL/PS w/held



Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

SECRET

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Case History on [redacted] 25X

1. This memorandum is for information only.

2. A case history [redacted] is summarized 25X
in the following paragraphs.

3. On 19 January 1961, NSCID No. 8 assigned to the Director of Central Intelligence Agency the responsibility for the operation of a National Photographic Interpretation Center (NPIC) as a service of common concern to the intelligence community. The Photographic Intelligence Center, CIA, had outgrown its quarters in the Steuart Building prior to the establishment of NPIC. Laboratory space approaching that necessary for full exploitation of increasingly sophisticated collection systems was not available. A facility was needed to accommodate additional personnel, and more complex and space consuming equipment, with a growth potential for foreseeable systems to be utilized in future years. Comprehensive studies made it apparent that space was a critical item in the future of NPIC. Detailed historical background is included in Enclosure 1.

4. The systems to be utilized in the expanded facilities required special considerations regarding vibration, dust, humidity, temperature controls, special lighting, air handling systems, as well as stringent security needs. The operation required large areas for photographic processing and developing, mixing of chemicals, housing of computers, accommodating mensuration equipment, experimental laboratory space, and storing vast quantities of reference material.

25X1 5. The NPIC personnel planning figure has for several years been in the neighborhood of [redacted] This consists of [redacted] Agency 25X
personnel to be on board during FY 64 and has been included in the
25X1 FY 64 budget submission, approved by the Bureau of Budget. The remaining [redacted] are personnel from the military services expected to be on duty at the Center. (Enclosure 2)

SECRET

SUBJECT: Case History on Buildings [redacted] 25X

6. After reviewing a wide variety of plans based on NPIC's requirements and the availability of space in the area, the de-
25X1 cision to remodel [redacted] to house NPIC was made. Although initially planned for completion by August 1963, a letter to the Director of Central Intelligence from the Special Assistant to the President in October 1961 stressed the need for utmost speed and effort to complete the new NPIC facility. The Agency therefore undertook to complete the construction by 31 December 1962 and to begin operations in the new building immediately thereafter. (Enclosure 3)

7. Because of the decision to ~~commence~~ begin construction as early as possible ~~the~~ original estimates were made in October 1961 without benefit of even preliminary plans and specifications. These original estimates were based on the limited information available and represented the best judgment of the Architect-Engineer, the Public Buildings Service and Agency representatives. In November 1961, the Architect-Engineer submitted a preliminary construction cost estimate of $6,900,000. This did not include certain demolition costs, Architect-Engineer ~~charges~~, and Public Buildings Service charges. On ~~the~~ basis ~~of~~ this, a preliminary overall estimate of $8,000,000 was arrived at for the complete project. On 15 January 1962, the Contractor was directed to prepare an estimate based on final plans and specifications as they became available. At this point, it became apparent that the mechanical equipment, because of its size and character, should be housed outside of Building
25X1 [redacted] was added to the scope of the project. In April 1962 when final plans and specifications were available, the estimate was revised upward to $12,750,000. The Comptroller's request for approval to spend this amount and to obtain the additional funds through a release from the contingency Reserve was approved on 24 April 1962 by the DDCI ~~and~~ the Bureau of Budget. Subsequently by the A complete Budget and Financial Chronology is included in Enclosure 4 and ~~the~~ detailed explanation of the increase in estimated cost of $5,204,235 is explained in Enclosure 5.

8. General Services Administration (GSA) has ~~expended or obligated~~ committed $10,861,297 of the $12,750,000 made available to them for the project. ~~An additional $1,012,013 should be added to the expended or obligated funds to arrive at an estimated final cost of $11,873,310, which is $876,690 less than the total funds authorized.~~ The $1,012,013 represents projected estimates for completion

It is estimated that an additional $1,012,013 will be required for Completion

SUBJECT: Case History on [redacted] 25X1

of payments on the basic construction contract, change orders not yet negotiated, completion of payments for GSA supervision and inspection, moving costs and Architect-Engineer fees. The figures are summarized as follows: (See Enclosure 6 for summary of estimated costs)

Total Funds Authorized		$12,750,000
GSA Expenditures or Obligations	$10,861,297	
Projected Estimates to Completion	1,012,013	11,873,310
Estimated Surplus		$ 876,690

Will therefore be

9. GSA ~~also~~ estimates a total of 432,000 square feet of gross floor space for the two buildings. (Five and one-third floors in Building [redacted] ~~Actual~~ Approximately cost per square foot ~~is $27.00~~. 27.50 Of the total cost, $2,914,000 is estimated by GSA as being required for construction to meet peculiar requirements of NPIC. (Enclosure 7) Additionally, $1,000,000 was a conservative value placed by GSA engineers on the costs of expediting the construction such as acceleration of various subcontracts, use of more readily available but more costly material, increased costs to suppliers, transportation, additional fees and overtime. Deducting the $3,914,000 from the total cost of the renovation leaves $7,959,310 which ~~is the estimated cost that~~ would have been incurred for ~~renovation if it had been~~ a limited laboratory-general purpose type facility with normal construction time allowed ~~for the work~~. Such a cost would have averaged approximately $18.~~00~~30 per square foot. (Enclosure 8)

10. ~~8.~~ NPIC established the requirement for a briefing facility with a seating capacity for approximately 150. Intelligence community committees such as Joint Atomic Energy Intelligence Committee (JAEIC), Guided Missile and Astronautic Intelligence Committee (GMIAC), and Scientific Intelligence Committee (SIC), when assembled with their full staffs and other personnel concerned, routinely required seating in excess of the capacity of the old Steuart Building room. Briefings often have been more than 100 percent oversubscribed, thereby forcing the Center to provide briefings in triplicate. This requirement was justified in light of the importance of the briefing program to NPIC operations and the projected multi-purpose use of the room by NPIC, CIA, the military services, and the intelligence community. Design of the area included installation of a teleprompter system, revolving and sliding display panels and specially adapted projection equipment to provide for the optimum use of the room.

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Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

ENCLOSURE 1

SECRET

NPIC BACKGROUND

1. By early 1959, after three years of operation, first as a special project, [redacted], and later as the Photographic Intelligence Center, an office under the DD/I, it was becoming apparent to senior officials of the Agency, that both the methods and scale of operations of PIC were already inadequate and were to become increasingly more so during the ensuing years. 25X1

2. A substantial percentage of each input from the collection systems of that day was being backlogged and time coupled with limited resources permitted only a "skimming" of the materials. Still in the planning stage, were advanced systems, the increased takes from which could only result in an inundation of the activity unless forward planning was undertaken and space provided.

3. At this point, Mr. Bissell, then the CIA officer responsible for collection programs, arranged with Mr. Amory, DD/I, and Mr. Lundahl to have the [redacted], carry out a study of Center operations with a view toward proposing an optimum system for full exploitation of present and projected data. The results of the study which were presented to General Cabell, Messrs. Kirkpatrick, Bissell, Amory, White, Lundahl, and the President's Scientific Advisory Committee in October 1959, called for a national exploitation Center with a vastly expanded personnel base (over 200 PI's alone), an integrated exploitation system, and a new building to house this facility. 25X

4. Many of the recommendations contained in this independent report confirmed and expanded upon the projections and views of the senior personnel of PIC, which was operating informally on a joint basis at that time with personnel from the Army and Navy as well as CIA. The projected input figures being furnished by the collectors, the experience of our own personnel in processing large volumes of photography, and the recommendations of [redacted] as to the necessity for a greatly expanded and more sophisticated exploitation activity led the Center to redouble its efforts in the area of forward planning. 25X

5. The first step was to enlist help in the area of analysis and systems design for the eventual automation of as many aspects of the activity as possible. Coupled with this was the need for planning the layout and housing of the activity in new and more acceptable quarters since it was apparent to all concerned that the Steuart Building contained neither sufficient space nor an environment even approaching that necessary for the full exploitation of higher resolution photography. The Center which had already been obtaining

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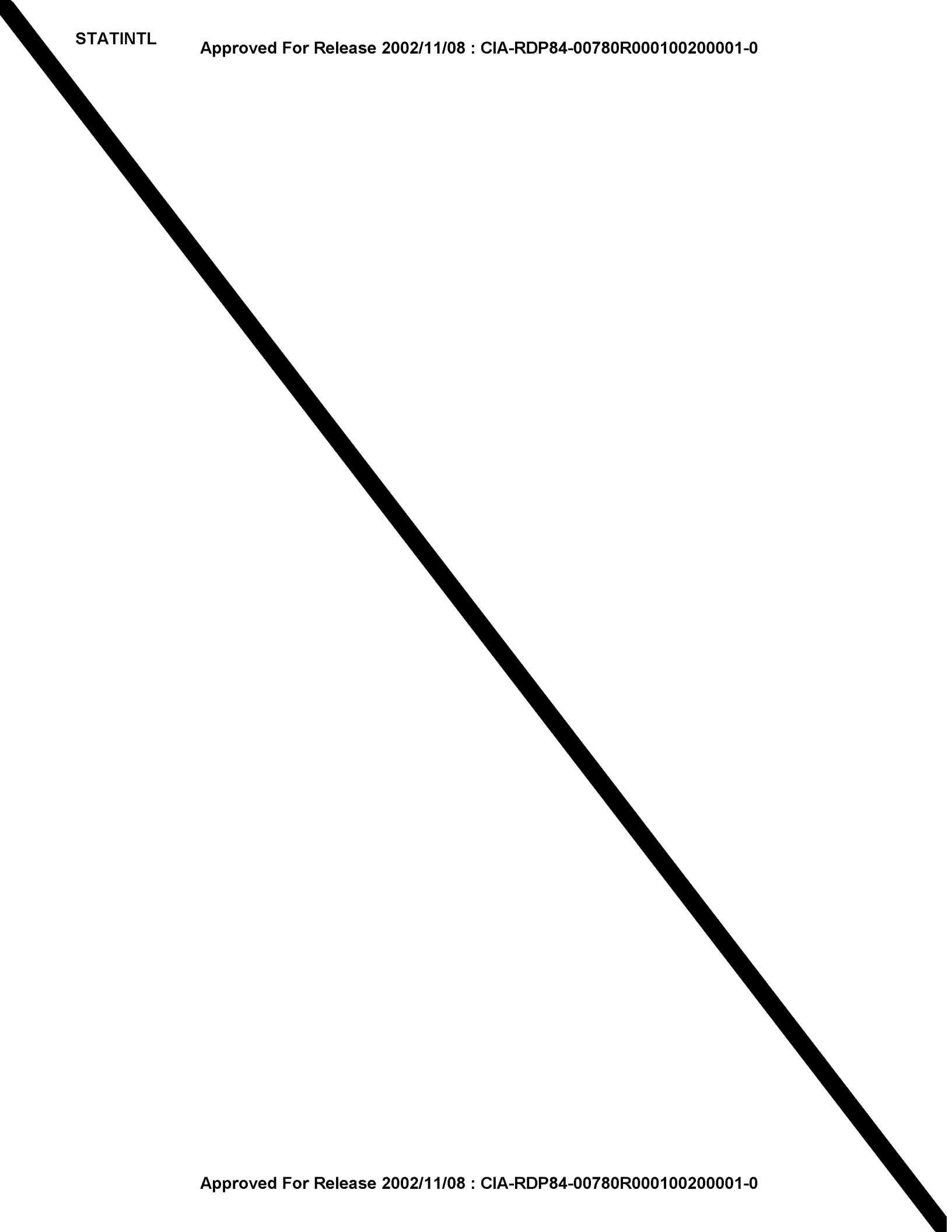
25X1 planning advice for the several specialist areas of PIC from such firms as [redacted] contracted with the [redacted] in June 1960, 25X1 to provide the aforementioned services, plus others, and the first concrete steps toward the necessary relocation of the activity were undertaken.

6. During this same period, late 1959 through early 1960, discussions were being held with the Office of Logistics and GSA personnel in an effort to locate suitable space. A wide variety of plans were considered, including: building an annex to the new CIA Headquarters building, constructing new quarters in the [redacted] 25X area, renovating a then empty laundry, and finally, acquisition of [redacted] Realizing the impracticalities of getting Congress 25X1 to appropriate more funds for an annex to Langley and appreciating the size of the activity which would eventually have to be provided for, and since the Government already owned [redacted] it became 25X apparent that this facility was the most logical choice, and negotiations were commenced to acquire it. The Center in collaboration with DSAA continued through 1960 and the bulk of 1961 with the analysis, concepts planning, and design of the systems and layout of the anticipated National Center. The Joint Study Group on Foreign Intelligence Activities in December 1960 reaffirmed the need for a single photographic center of common concern and validated the planning efforts being carried forward.



Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

ENCLOSURE 2

Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

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Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

ENCLOSURE 3

Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

DD/S 61-3503

COPY

NR 61-8046

THE WHITE HOUSE
Washington

October 11, 1961

MEMORANDUM FOR THE CHAIRMAN
UNITED STATES INTELLIGENCE BOARD

SUBJECT: National Photographic Interpretation Center
(Recommendation No. 18 of the October 4, 1961
Report to the President by the President's Foreign
Intelligence Advisory Board)

In its report to the President on October 4, 1961, the President's Foreign Intelligence Advisory Board recommended that the Chairman of the United States Intelligence Board explore the possibility of accelerating the time when the National Photographic Interpretation Center is to become operational in its new quarters STATINTL [redacted] STATINTL Enclosed herewith for your information is an excerpt on the subject from the Board's report of October 4, 1961.

The President has approved the Board's recommendation and has requested that a report thereon be furnished to this office and to the President's Foreign Intelligence Advisory Board by October 23, 1961.

s/

McGeorge Bundy

Enclosure

cc: The President's Foreign Intelligence
Advisory Board
(Attention: Mr. J. Patrick Coyne)

Distribution:
DCI D/Log. via DD/S
DD/I DD/P
DD/S IG
D/NPIC

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Att. to ER 63-3046

"NATIONAL PHOTOGRAPHIC INTERPRETATION CENTER

In view of recent substantial increases in the volume of significant photographic intelligence data available to the intelligence community and of additional increases expected in such acquisitions, we recommend that the Chairman of the United States Intelligence Board explore the possibility of accelerating the time when the National Photographic Interpretation Center is to become operational (now estimated in April 1963) in the new quarters in the [redacted] 25X1 [redacted] 25X1 Because of space limitations in the quarters presently occupied by the Center, interference with the timely interpretation, analysis and reporting of the increased volume of photographic data is expected. It appears that such interference might be avoided by early occupancy of the more adequate and well-equipped spaces at the [redacted] 25X1 [redacted] 25X1 with a resulting increase in the rate, scope and timeliness of photographic intelligence products to serve national intelligence purposes."

CONFIDENTIAL

C
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P
Y

21 October 1961

Mr. McGeorge Bundy
Special Assistant to the President
for National Security Affairs
The White House
Washington 25, D. C.

Dear Mr. Bundy:

We have given the highest priority to the design and construction of the National Photographic Interpretation Center's proposed new quarters

25X1

Final plans and specifications are contingent upon the completion of a highly complex systems engineering study. This study, as well as the construction plans and specifications, are in the hands of a specially qualified engineering firm and my effort is being spared to expedite completion of the project. The original schedule called for completion of construction and occupancy in August, 1963. However, as the President's Board has noted, the schedule has been improved to provide for completion in April, 1963. This was accomplished by planning construction in two phases, in order that basic construction could start in December, 1961, some three months prior to completion of the systems study.

On receipt of your memorandum of 11 October 1961, I directed that other avenues be explored which might lead to further savings in time. We find that by departing from the normal process of submitting completed plans for competitive bidding and entering into a negotiated cost-plus-fixed-fee contract on the basis of preliminary plans, a continuous work program can be started in December, 1961. Barring unforeseen difficulties, the Contract Architect-Engineer estimates that under this program the building can be completed some three to four months earlier than now scheduled. However, as you know, the negotiation of a cost-plus-fixed-fee contract is contrary to normal Federal practice and a project of this magnitude may well expose the government to criticism from other contractors. There is also the undesirable aspect of not knowing in advance the ultimate cost of the project.

CONFIDENTIAL

Notwithstanding these objections, we are proceeding forthwith to develop preliminary plans in order to be in a position to enter into a negotiated contract, if, in the final analysis, this appears to be a feasible and desirable course of action.

This determination will be made in conjunction with the General Services Administration and the Bureau of the Budget at the earliest possible date.

Sincerely,

/s/

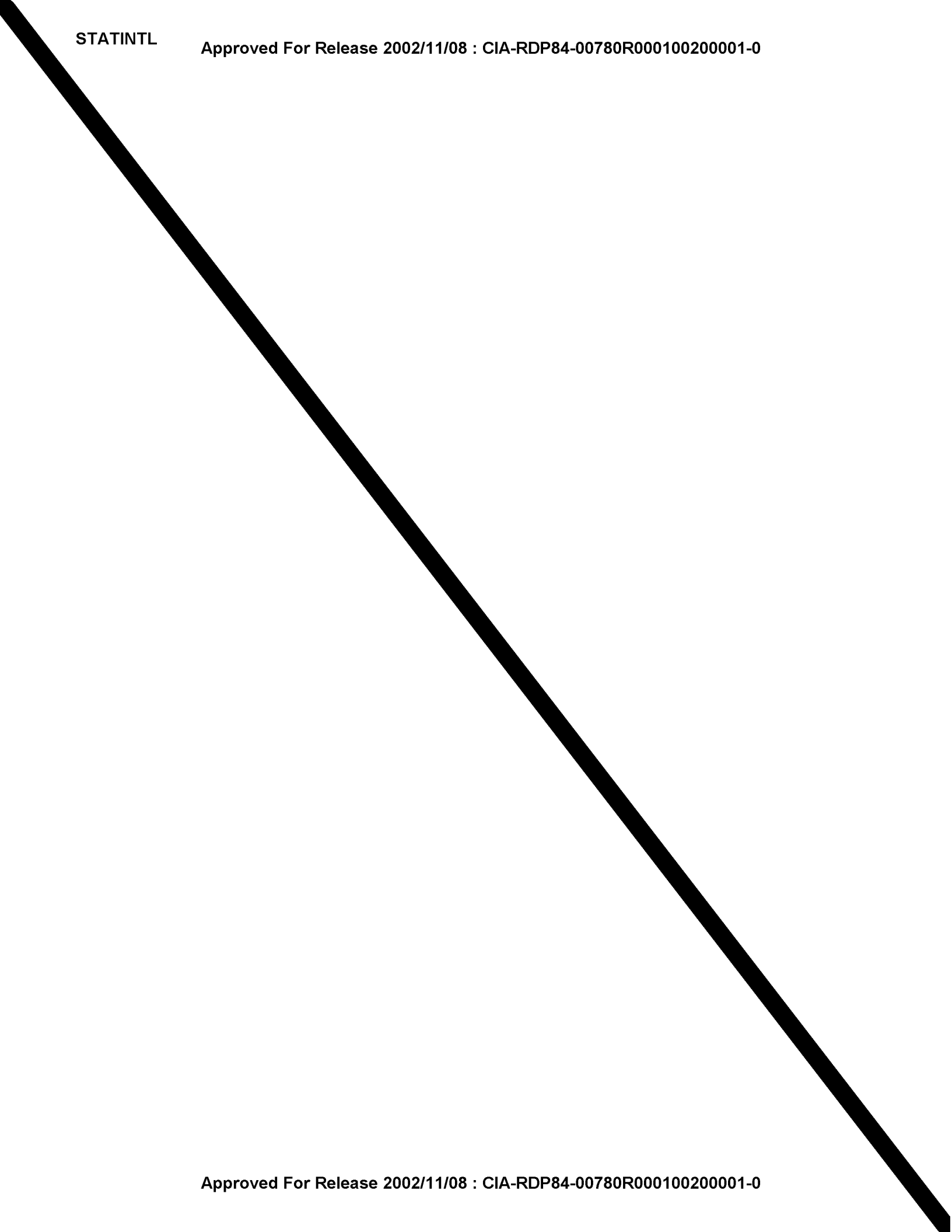
Allen W. Dulles
Chairman

ADD/S:HGL:fy (20 Oct. 61)
Distribution:
0 & 1 - Addressee
1 - ER
1 - DCI
1 - DDCI
1 - DD/I
1 - D/NPIC
1 - DD/P
1 - IG
2 - D/Log (w/cpy basic not attached)
1 - DD/S Chrono
1 - DD/S Subject w/cpy basic (w/held)

CONCUR: 22 Oct. 1961
Date

/s/

H. Gates Lloyd
Assistant Deputy Director
(Support)



ENCLOSURE 4

Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

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BUDGET AND FINANCIAL CHRONOLOGY

ON

25X1 [redacted]

1. FY 1961 Apportionment Schedule #20 requesting release from the Reserve for Contingencies of $600,000 was approved by the Bureau of the Budget on 16 March 1961. This item was part of a very rough estimate of $6,010,000 for the cost of renovating [redacted] including the cost of moving tenants. Of this $600,000, $350,000 was advanced to GSA for architectural and engineering services and GSA related expenses. One hundred and eight thousand seven hundred and thirty-three dollars ($108,733) was reimbursed to GSA for moving tenants and the remainder ($133,667) remained unobligated and thereby reverted to the Reserve. 25X

2. The Agency Operating Budget for FY 1962, approved by the Director on 19 August 1961, included an item of $5,600,000 for [redacted] and authorized the Comptroller to request release of funds from the Reserve. In addition, the operating budget contained authority for the Comptroller to request release from the Reserve of $1,120,000 for expansion of NPIC operations. 25X

25X1 [redacted]

3. Apportionment Schedule #5 FY 1962, requested a release from the Reserve of $1,120,000 for NPIC operations. This Schedule was approved by the Bureau of the Budget on 22 September 1961.

4. On 7 November 1961, Apportionment Schedule #11 was transmitted to the Bureau of the Budget requesting a release from the Reserve of $7,100,000. This release was based on the development of revised estimates totalling $6,000,000, and reflected the anticipated transfer of $500,000 from the Army, and the funds transferred to GSA from the original release of $600,000. This release for $7,100,000 was approved by the Bureau of the Budget on 18 December 1961.

5. The Congressional Budget for FY 1963 reflected for FY 1962, the $7,100,000 released on Schedule #11 and for FY 1961, $350,000 advanced to GSA in FY 1961.

6. On 20 April 1962 the Comptroller presented a memorandum to the DDCI in which it was explained that the latest estimate of the cost of [redacted] was $12,750,000 and requested that the Comptroller be authorized to obtain release from the Reserve for Contingencies of the additional funds required. The recommendations of the Comptroller were approved by the Deputy Director of Central Intelligence on 24 April 1962. On 25 April 1962, the Agency transmitted to the Bureau of the

25X1

SECRET

Budget Apportionment Schedule #22 requesting release of $3,664,000 and at the same time requested authority to transfer to the [redacted] account, the $1,128,000 previously released for NPIC operations. This schedule was approved by the Bureau of the Budget on 27 April 1962.

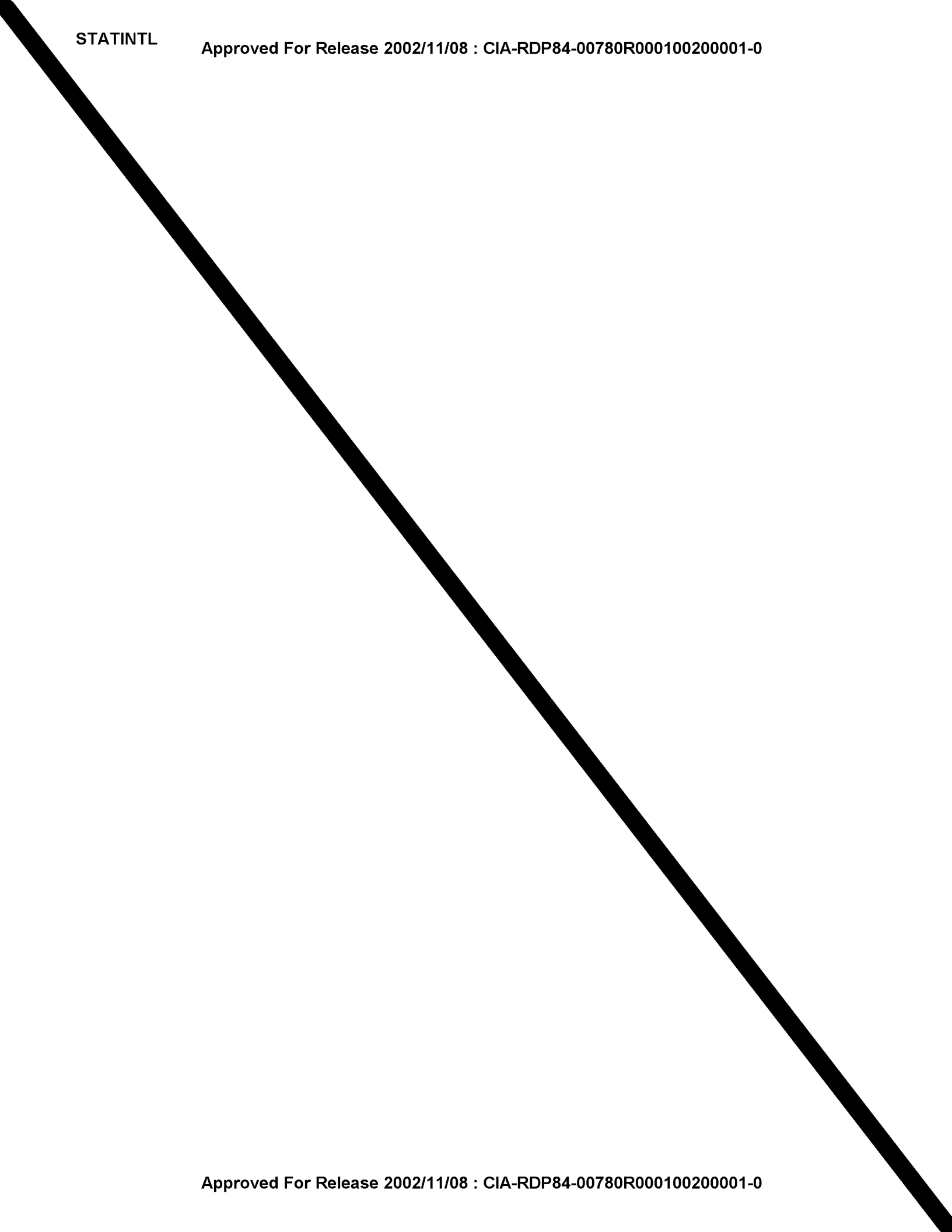
25X1 25X

7. Following is a summary of the above actions which made funds available for construction and/or alterations [redacted] including A. E. expenses and GSA related expenses, all of which have been advanced to GSA:

25X

FY 1961 Apportionment Schedule #20 ..... (Release was for $600,000 of which $358,000 was for purpose stated)	$ 358,000
FY 1962 Apportionment Schedule #11.....	7,100,000
FY 1962 Apportionment Schedule #5..... (Released for NPIC and transferred [redacted]	1,128,000
FY 1962 Apportionment Schedule #22.....	3,664,000
FY 1962 Reimbursement from Army	500,000
Total.....	$12,750,000

25X1 25X1



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ENCLOSURE 5

Approved For Release 2002/11/08 : CIA-RDP84-00780R000100200001-0

COPY

DD/S 62-1665
bf 62-4029

23 May 1962

Mr. Robert Amory, Jr.
Chief, International Division
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Amory:

This is in response to your request for an analysis of the increased estimate for construction for the National Photographic Interpretation Center.

As a background to a detailed breakout of estimated costs, it must be remembered that the original estimates were made in October 1961 without benefit of plans and specifications which were scheduled for completion in April 1962. The system design was at that time still under study by a specialized technical group on the west coast. The Architect-Engineer, the Public Buildings Service and ourselves based the October estimate on the limited information available. As the plans and specifications developed in accordance with information provided by the systems study, it became apparent that certain requirements must be added. In addition, Public Buildings Service for the first time was in a position to analyze the plans in respect to their own criteria. In short, the original estimates were based on incomplete information. They were intended for planning purposes only, and I am certain that this was made clear to Mr. Macy at the time.

The total increase in estimated costs amounts to $5,204,235, and results from changes in the major categories of cost as shown below:

General Construction	$2,750,176	$ 4,064,928
Mechanical	2,353,222	4,583,145
Electrical	1,492,576	1,686,836
Contingency	300,000	800,000
Overtime		345,600
Total Construction	6,895,974	11,480,509
(Rounded to)	6,900,000	11,480,000
A&E Costs, PBS Charges	615,165	1,239,400
25X1	30,000	30,000
Total	7,545,165	12,749,400

ORIGINAL

GROUP 1
Excluded from automatic downgrading and declassification

OL 2 2607

Mr. Robert Amory, Jr., Bureau of the Budget

A further analysis of the increased estimated cost shows that it is attributable to the following specific items:

a. Demolition estimates were based on leaving the old X-ray lab in [redacted] and leaving the original roof slab intact. As plans developed, it was found necessary to demolish the old X-ray lab in order to install a cooling tower. Similarly, it was found necessary to remove nine inches of concrete that was superimposed on the old roof in order to reduce the static load on the fifth floor and to gain an additional nine inches ceiling height. 25X1

Estimated additional cost - $100,000.

b. The original estimate assumed the installation of a compressor type air conditioning system. Further study indicated that vibration of such a system might be critical. Concurrently, Public Buildings Service studies proved that an estimated saving of $80,000 a year would accrue to the Government if a steam absorption system utilizing the present steam plant were installed. Additionally, soil borings proved that piling was necessary to support the air conditioning equipment and cooling towers that were necessary in [redacted] 25X

Estimated additional cost - $250,000.

c. The original estimate assumed a cost of $900 per ton for the air conditioning distribution system. As plans developed and the volume and complexity of the air conditioning system became apparent, a double duct system was determined necessary to meet PBS criteria. PBS did not have sufficient information to make this determination earlier. After taking into consideration the heat producing equipment that is to be installed and operated, and analysing the highly sophisticated controls necessary the double duct system was determined necessary, and the estimated unit cost of the system increased from $900 per ton to $1900 per ton.

Estimated additional cost - $1,300,000.

d. The original estimate for lighting was based on relatively conventional standards. As plans developed and the special criteria became evident for the necessary refinements, special fixtures and additional power became a necessary requirement.

Estimated additional cost - $100,000.

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e. The requirement for a vacuum system throughout the building was developed after the original estimate. Additional requirements were developed for water supply. Compressed air is required at several locations.

Estimated additional cost - $200,000

f. The original plan did not envisage enclosed vault construction of the entire building. PBS, in accordance with its code requirements, insists on a sprinkler system throughout for vaulted areas.

Estimated additional cost - $168,000.

25X1 g. The space requirements developed as the systems study continued necessitated the use of [redacted] the adjacent building. Removal of mechanical equipment [redacted] in order to improve security and minimize vi-
25X1 bration, also dictated the use of [redacted] The resultant increase of 25X
usable space increased the structural, mechanical, electrical costs for the project.

Estimated additional cost - $840,000.

h. A secure telephone system throughout the building and connecting with NSA was not originally contemplated.

Estimated additional cost - $50,000.

i. Overtime was not considered in the original estimate.

Estimated additional cost - $345,600.

j. An allowance of $300,000 was made in the original estimate for contingencies. This has been increased to $800,000 in the current estimate.

Estimated additional cost - $500,000.

k. Modifications necessary to accommodate the USGS on the sixth floor proved more extensive than originally planned. An elaborate system of glass drains was necessary to replace the corroded pipe that
X1 came down through [redacted] to drain corrosive liquids from the laboratories. Modifications were necessary to meet safety criteria for USGS personnel and still maintain security requirements for the NPIC portion of the Building. An outside elevator was required for USGS access to the sixth floor without interference to NPIC operations.

Estimated additional cost - $169,000.

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l. Physical Security requirements were vague at the time of the original estimate. As a result of the vault concept, additional vault doors and vault walls were required at an estimated cost of $30,000. More elaborate steel grills were required on a greater number of air ducts at an estimated additional cost of $50,000. It was originally planned to utilize ADT security and fire alarm systems and pay an annual rental. It is now planned to purchase Kidde equipment outright, thus avoiding a rental charge of about $20,000 a year. This resulted in an increased estimated cost of $50,000.

Estimated additional cost - $130,000.

m. Special requirements for the briefing room have recently developed.

Estimated additional cost - $60,000.

n. Further development of the system study required a modification to the originally planned computer room.

Estimated additional cost - $22,000.

o. As plans developed, it was apparent that additional cabinetwork (closets, shelves, cabinets, workbenches, etc.) were required.

Estimated additional cost - $54,000.

p. The necessary connection to the [redacted] was not included. 25X

Estimated additional cost - $30,000.

q. The necessary connection to the [redacted] was not included. 25X

Estimated additional cost - $80,000.

In addition to these items which are subject to fairly accurate estimation, there are less specific but nonetheless real increases in cost due to acceleration of construction. These include loss of efficiency before the final plans were issued and in some cases, the need for procurement of material on the basis of prompt delivery rather than low bid. We estimate that this will result in increased costs of $181,400.

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There will be an increase in A&E costs and PBS charges. The A&E was directed to accelerate completion of plans and specifications and to furnish a representative at the project site. Also, the scope of work increased to the extent that his fee must be renegotiated. PBS charges for engineering and administration have been greatly increased, due primarily to the type of construction contract that is being administered. On a cost-plus-fixed-fee contract, all procurement by the contractor has to be analyzed and approved and all expenditures have to be approved and audited. PBS has estimated that the costs of A&E, PBS administration and moving costs will total $1,269,400, rather than $645,165.

Estimated additional cost - $624,235.

It is hoped that this analysis will provide you with the information you require.

Sincerely,

/s/

John A. Bross
Comptroller

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1 - OL Suspense w/drawn
1 - D/L Chrono 2/drawn

25X1

A/D/L: [redacted] OL/RECD [redacted] (3 May 1962) 25X1

1 25X1 (Rewritten: OL/RECD: [redacted] (15 May 1962)

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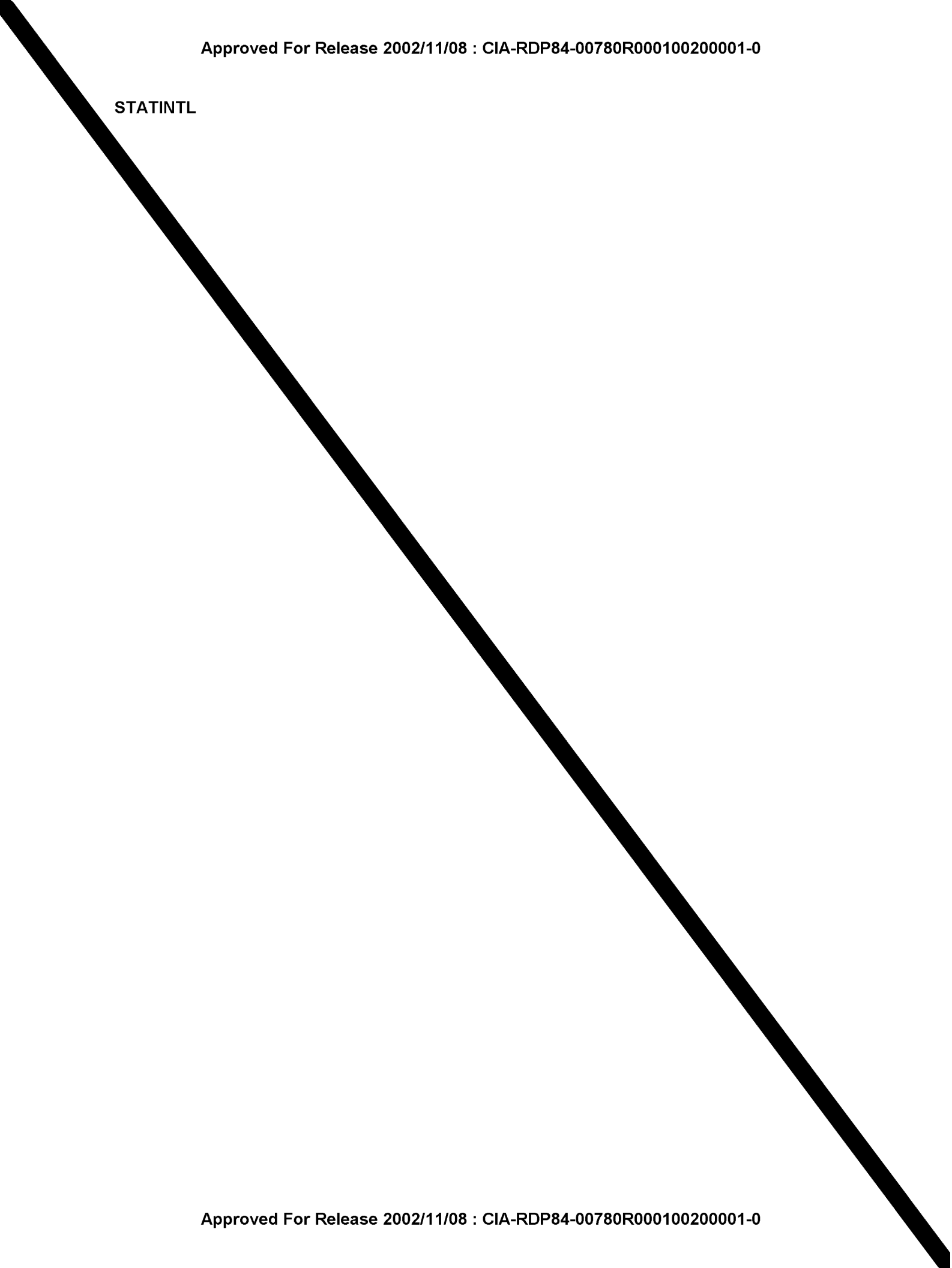

ENCLOSURE 6

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SUMMARY OF ESTIMATED COSTS

FOR REMODELING

[redacted] STATINTL

STATINTL

	Projected Total
Improvement Costs [redacted]	$ 9,868,389
Construction Contingencies (Change Orders)	912,790
Construction Overtime (Acceleration)	313,175
Fixed Fees	681,500
GSA Supervision, Inspection & Staff Services	389,283
Moving Costs	30,000
Total Estimated Costs Under Contract [redacted]	$11,525,077 STATINTL

STATINTL

DESIGN COSTS [redacted]

A-E Design Fee (Drawings & Specifications)	286,714
A-E Technical Coordination	4,000
A-E On Site Supervision & Coordination	28,519
GSA Design Branch Supervision & Review	22,000
GSA Design Branch Staff Services (General Expenses)	3,000
Total Estimated Costs Under Contract [redacted]	$ 344,233 STATINTL

Overall Estimated Cost	$11,873,310

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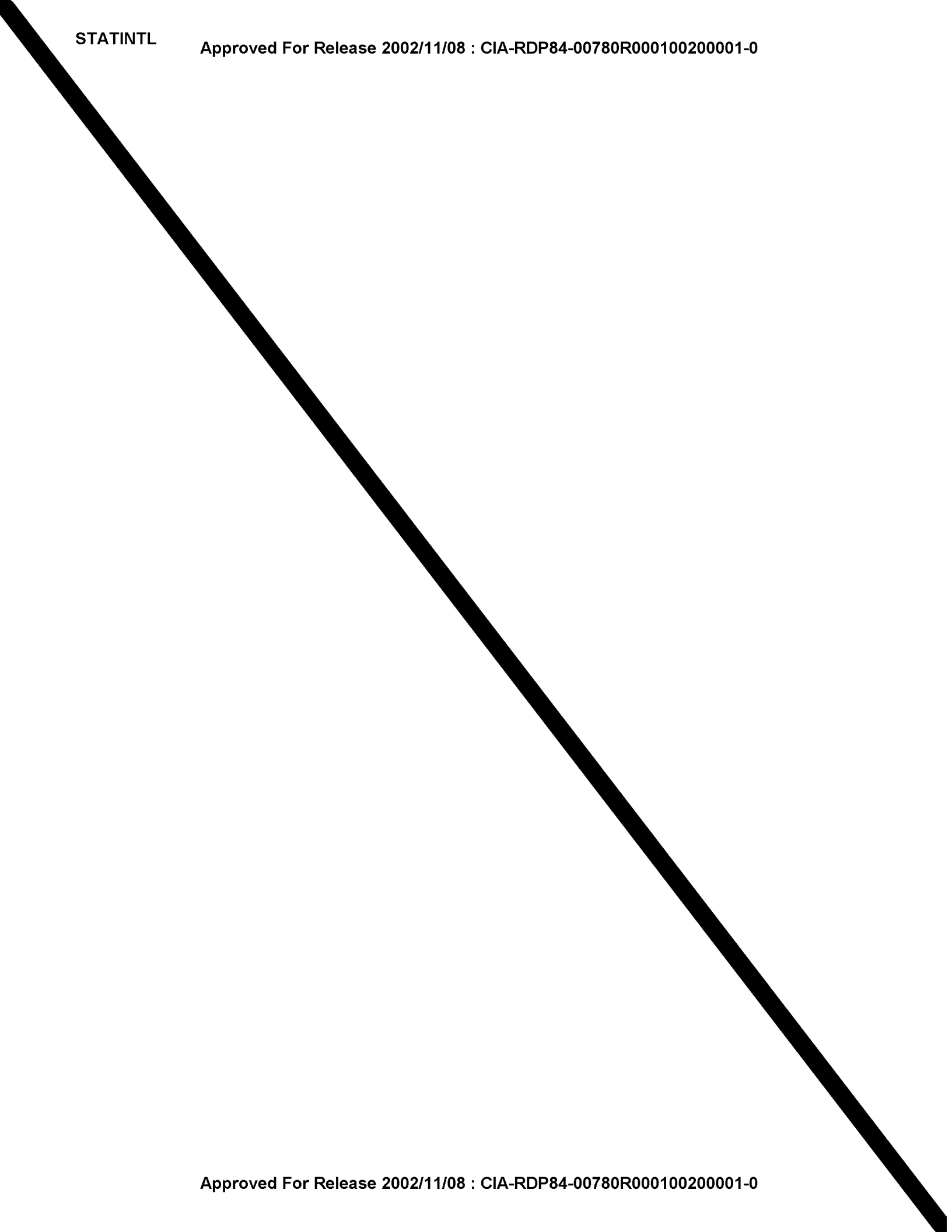

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ESTIMATES OF COSTS RESULTING

FROM

LABORATORY REQUIREMENTS

25X1

Following is a list of costs estimated by CSA engineers that were encountered in remodeling [redacted] which were over and above those that would have been required for a limited laboratory type facility. Such a facility would have provided general purpose space primarily. These estimated additional costs resulted from requirements that had to be fulfilled in the provision of technical operational capabilities for the systems used by NPIC, and security requirements peculiar to the needs of NPIC.

1.	Concrete	$ 100,000
2.	Plumbing	168,000
3.	Heating, Air Conditioning & Ventilation	1,550,000
4.	Special Piping Systems	300,000
5.	Noncombustive Covering	100,000
6.	Electrical Work	175,000
7.	Masonry	100,000
8.	Structural Steel	100,000
9.	Elevators	80,000
10.	Hollow Metal	30,000
11.	Misc. Iron	30,000
12.	Thermal Insulation	15,000
13.	Painting	26,000
14.	Partitions	50,000
15.	Floor Covering & Ceramic Tile	40,000
16.	Millwork	50,000
	TOTAL	$2,914,000

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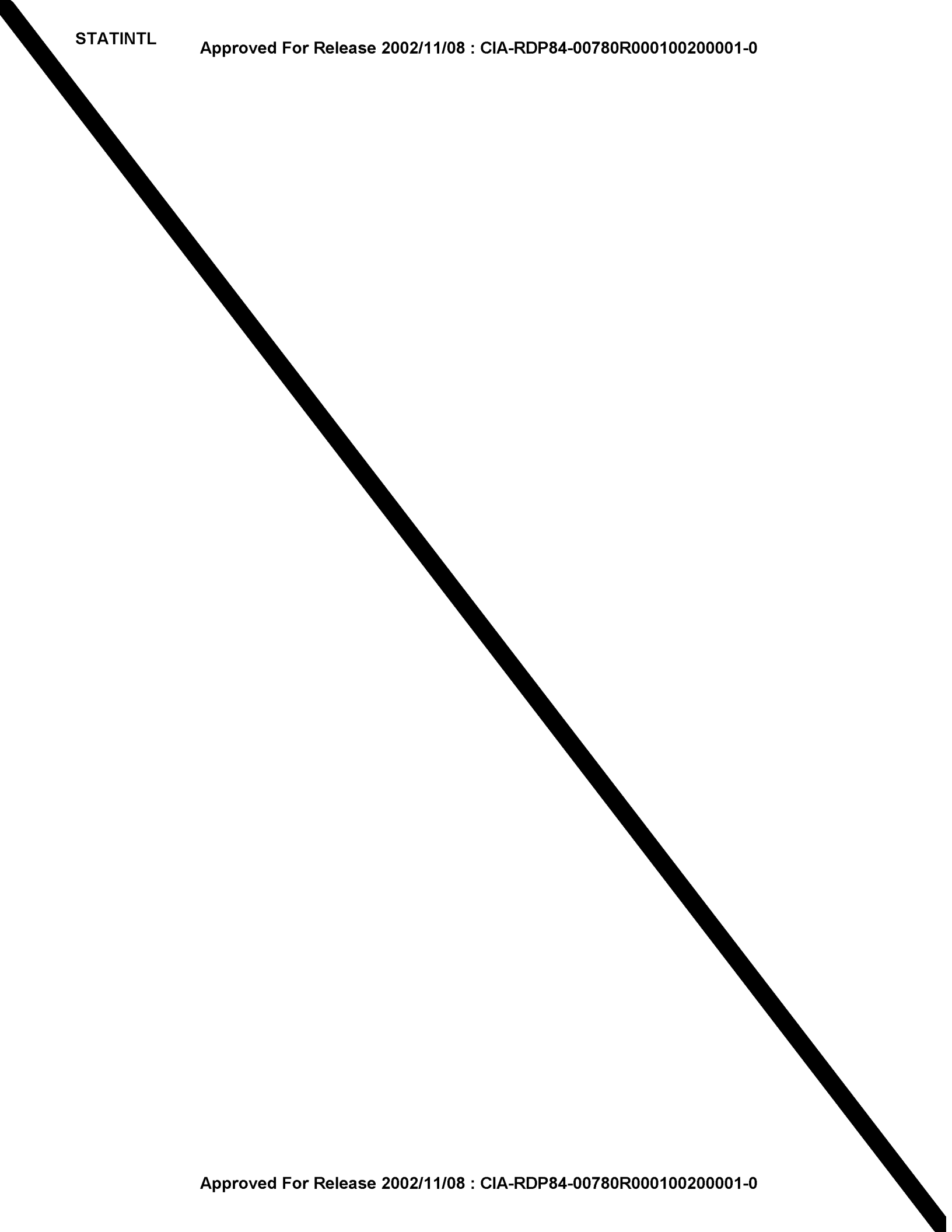

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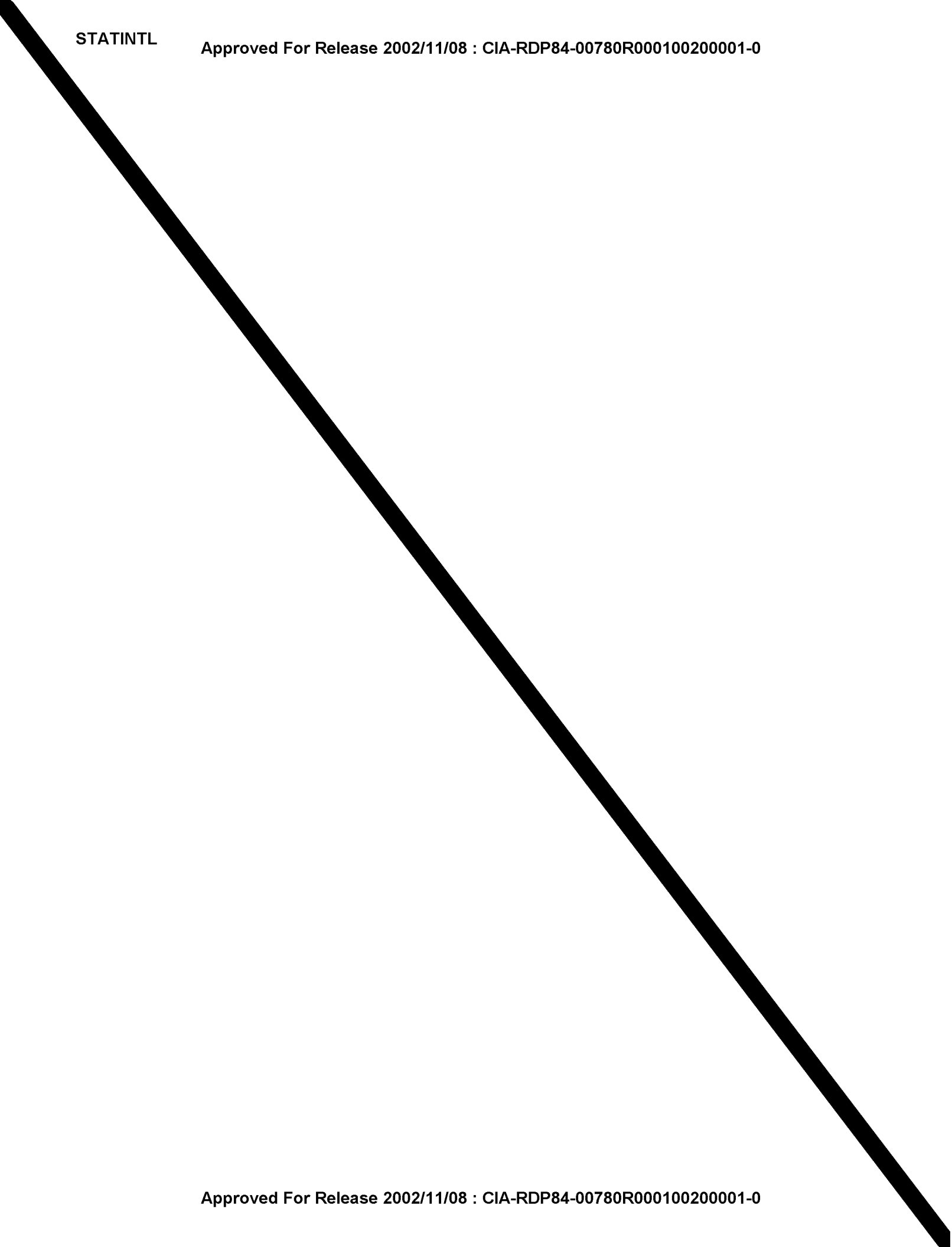
The $7,959,310 remainder is a valid figure for comparison purposes. Using this figure the cost per square foot is approximately $18. Based on this premise the cost [redacted] compares favorably with our new Headquarters Building which final costs indicate ran $22.06 per square foot, and with Federal Office Building #9 which ran $17.03 per square foot.

25X



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ENCLOSURE 9

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ANALYSIS OF POSSIBLE SAVINGS IN CONSTRUCTION COSTS

25X1 1. In an examination of the costs of construction of Buildings [redacted] a question has arisen as to the possible savings that might have been made in these costs. Since changes in the basic design have a large influence on costs and constitute a separate subject, this analysis of possible savings in construction is based on examination of substitute materials that might have been utilized.

2. In any consideration of a substitution of less costly materials for the materials used in construction, the technical areas of the buildings must be omitted, since in general the materials used were dictated by technical requirements. This then leaves the external parts of the buildings, the lobby, the cafeteria, the corridors and various administrative areas throughout the building as areas for possible savings.

3. The information on possible savings was obtained as estimates from GSA officials. Important to these estimates is the policy that minimum GSA standards must be maintained in construction to assure reasonable maintenance costs and upkeep.

25X1 4. Related to the foregoing policy was the installation of marble veneer and terrazzo flooring in the heavily travelled areas such as the main lobby. The use of the marble veneer and terrazzo flooring is consistent with GSA standards for a building of the cost and size [redacted] However, possibly as much as $3,000 could have been saved in the lobby by elimination of the pilasters and substitution of plaster walls in lieu of wood paneling.

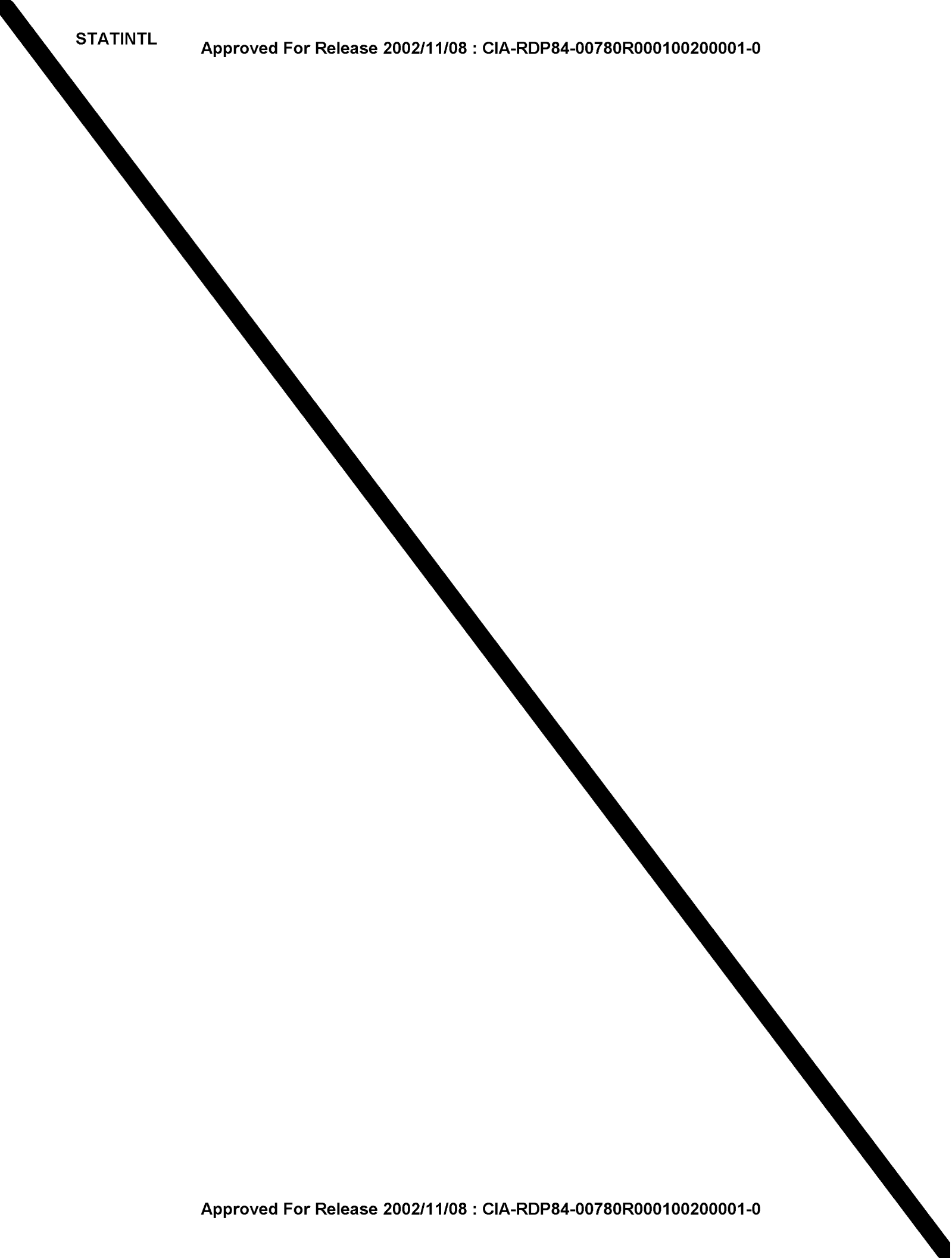
5. In connection with the external portions of the buildings, only minimum work was done to secure and clean the building. Securing involved blocking the windows with concrete blocks. Cleaning involved patching and painting the exterior surfaces. However, concrete curb and precast concrete panels could have been used in place of the granite canopied sidewalk curbs and granite panels in the fifth floor windows. It is estimated that such substitution would have saved approximately $15,000.

6. The only feature in the cafeteria that appears to lend itself to substitution is the redwood paneling. Plaster walls could have been used at an estimated savings of $1,000.

7. It was estimated that savings of approximately $8,000 could have been realized in the ninth floor executive offices by substitution of more common materials for quarry tile in the patio, marble veneer in the reception area, walnut doors, glass partitions, and paneling. GSA does not feel qualified to comment on possible savings in the briefing room, since it is considered that the area is technical in nature.

8. In the remaining administrative areas of the buildings, the materials used were in keeping with GSA standards. These materials included vinyl asbestos floor tile, suspended acoustic ceilings and movable partitions.

9. The foregoing analysis pinpoints $27,000 in possible savings. Assuming that a number of additional minor substitutions could have been made, GSA officials believe that the maximum material savings would not exceed $50,000.



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ENCLOSURE 1C

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CONTROLS

IN

DESIGN AND CONSTRUCTION

OF

25X1 [redacted]

1. From the initiation of planning to provide a new facility for NPIC, various forms of controls were exercised to assure that required capabilities would be provided in an efficient and economical manner. The following paragraphs cite some of the more significant controls that were exercised.

2. The A&E contract, which was negotiated with [redacted] by GSA in conjunction with Agency personnel, provided continuity of effort through the extension of the earlier [redacted]/NPIC planning work.

3. The proposals made by [redacted] were examined in detail by various individuals in NPIC and final approval of the renovation to be accomplished was cleared with the DDI.

4. GSA examined in detail the proposals for design with special consideration given to the growth expected in the future of the

25X1 [redacted] GSA expects most buildings in that area in future years to be remodeled for first class general purpose and office usage. In view of this consideration and NPIC technical requirements, GSA accepted the proposed design with minor modifications being made. GSA engineers stated that the materials used in renovating the buildings were compatible with standards expected of buildings in

25X1 the [redacted] in future years and with reduced maintenance costs.

5. The Office of Logistics appointed Mr. [redacted] 25X1 as on-site project engineer for the Agency.

6. A Special Building Project Planning Staff for [redacted] 25X1 was formed to resolve project design conflicts and problems; to provide and/or obtain answers to questions involving requirements peculiar to the Agency; and to provide the Agency's formal channel for all project needs. This Staff did not, in any way, intrude in construction activity being directed by the Public Buildings Service (PBS). It resolved problems that were peculiar to Agency requirements which the PBS has neither the responsibility nor capability to resolve. Membership on the committee is composed of:

25X1 [redacted]

7. GSA assigned a full time engineer to supervise on-site construction. His staff varied in strength at times, but at peak, strength totaled seven engineers, two clerks and three accountants.

8. The Architectural Engineering firm assigned personnel at the project site for immediate resolution of construction design problems and to provide close liaison between the contractor, the Agency, and the A&E firm. These personnel were in addition to those serving under the direction of GSA construction supervisors.

9. "A Master Plan for Construction Completion and Occupancy

25X1 Building [redacted] was developed by the Office of Logistics. The objective of this plan was to identify planning requirements and actions essential to achievement of a going NPIC production capa-

25X1 bility in [redacted] by 31 December 1962, and to assign responsibilities for their accomplishment. This plan was approved by the DD/S and had the concurrences of the Executive Director, the Director of NPIC, the Director of Communications and Security, and the Chief, Medical Staff.

10. GSA exercised authority to cut off further changes in design that would not affect operational capability.

11. Quality control was exercised by GSA in review of the design, during actual construction and in acceptance of the buildings. GSA engineers stated that there was no construction which differed from normal GSA construction, except that required by the technical systems to be operated in the facility.

12. Close cost control was accomplished by auditors and estimators of GSA on all expenditures to include all change orders initiated.